THE DEWAN observed that the acceptance of the suggestion of the members would necessitate an extension of the term of the Legislative Council also.

MR. K. T. BHASHYAM IYENGAR said that the Assembly had no objection to the Government extending the term of the Legislative Council.

MR. B. S. PUTTASWAMY once again represented that canvassing during the rainy season was equally inconvenient even to new candidates who were desirous of getting into the Representative Assembly. He added that the Government benches had no idea of the difficulties confronting the candidates at elections and that if they only knew them, they would certainly sympathise with the voters.

The entire ASSEMBLY appealed to the Government to postpone the elections till the next year.

THE DEWAN announced that the holding of the next elections would be postponed as proposed and that the First Session of the re-constituted Assembly would meet in June 1934.

MESSRS. H. C. DASAPPA and BELUR SRINIVASA IYENGAR expressed the gratitude of the Members of the House to the Dewan and his colleagues for having complied with their request.

## GENERAL DISCUSSIONS ON THE BUDGET.

In opening the discussion on the budget, MR. BELUR SRINIVASA IYENGAR observed that the Dewan's Address to the present Session of the Assembly contained fuller details of the budget position than in the past three years. But according to the principles of sound budgeting, the expenditure had not been limited to the estimated receipts of the year. In his opinion, the only satisfactory feature in it was the provision made for contributions to the Depreciation Funds.

It was a pity that out of a revenue of Rs. 343 lakhs, expenditure to the tune of about Rs. 139 lakhs was brought under the non-votable heads as per details below:—

| | Rs. |
|---|---|
| Pension charges ... ... | 20,90,000 |
| Palace ... ... | 24,79,000 |
| Establishment of Palace ... | 4,63,700 |
| Sinking Fund (non-votable item only) ... | 15,21,000 |
| Interest charges ... ... | 33,56,000 |
| Military ... ... | 15,31,000 |
| Subsidy . . ... | 24,50,000 |
| Total ... | 1,38,90,700 |

The people were convinced that unless further constitutional reforms were granted, it was impossible for the constitutional bodies to have an effective voice in controlling the expenditure of the State. Under the present constitution, since the people's representatives were not in a position to tender advice about reducing the expenditure under non-votable heads, he appealed to the Dewan and Members of Council to use their good offices to effect drastic reductions under them. He also expressed the profound thankfulness of the members for the generous contributions made by His Highness and the members of the Ruling Family to the general revenues in view of the financial stringency. But the finances were not satisfactory in spite of those contributions. The speaker therefore appealed to the Officiating Dewan to chalk out a proper financial programme with a view not only to bring about a balanced budget in the near future but also to cry a halt to public borrowing.

Referring to investments on capital works, he disapproved of the policy of sinking vast sums of borrowed money on unproductive works like the Bhadravati Iron Works and the Irwin Canal Project, as they showed no prospects of yielding a return for years to come. The interest charges on State Loans up to 1931-32 were very large and added to this, the capital which was borrowed and invested on the Irwin Canal Works subsequently required six lakhs of additional interest charges annually. The other capital investments were:—

| | Rs. |
|---|---|
| Railways ... ... | 6 crores |
| Electric Works ... ... | 3 „ |
| Irrigation ... ... | 4½ „ |
| Water Supply and Iron Works ... | 2¼ „ |

The speaker was at a loss to know how Government were going to find the interest charges at a time when they had resorted to cutting down the salaries of their own officials.

Speaking of the Iron Works, he was of the opinion that having already sunk a huge capital on them the Government thought it prudent to continue them even though it involved heavy losses every year. He, therefore, counselled the closing down of the works or transferring them to an outside agency. It was an irony of fate that while pleading their inability to afford the requisite relief to the raiyats, the Government should agree to write off the losses sustained by this industry year after year.

The era of deficit budgets began in 1929 and Government went on using up the accumulated balances. It was stated that the deficit of last year, *viz.*, about Rs. 60 lakhs was made good from the income received from railways, etc. He thought that such items of revenue could have been better utilised for educational development, if only the Government had taken care to cut the coat according to the cloth. During the current year, the Government obtained a sum of Rs. 5 lakhs in the shape of petrol tax and Rs. 4½ lakhs from the mining revenue. At least these amounts could have been utilised for development works.

As a member of the Finance and Taxation Committee, MR. BELUR SRINIVASA IYENGAR added that he had indicated how the Government's anticipations of a return from the Irwin Canal and the Bangalore Water Supply Projects were unrealisable. Government's anticipations were not realised and yet the Dewan's Budget Speech was no less optimistic and the Government went on inflating the revenue estimates.

In order to secure financial equilibrium in the near future, he urged the Government to cry a halt to the Iron Works. It was necessary to appoint another mixed committee of officials and non-officials to decide the future programme of expenditure on the Iron Works and the Irwin Canal Project and devise measures to make them pay. The information furnished in the Budget Speech in this behalf was far from satisfactory.

It was high time that Government made suitable provision in the budget for granting remissions of land assessments, as the condition of the agriculturists was deplorable.

Coming to the expenditure side of the budget estimates, he said that the establishment in the Agricultural Department was top-heavy. The head of the department was being paid a salary of Rs. 2,500 which was higher than the pay of Executive Councillors. The people were not getting an adequate return on the amount spent on this department.

MR. BELUR SRINIVASA IYENGAR next made a fervent appeal to the Dewan for the abolition of the notice, isthihar and jafti fees collected by the Revenue Department. The Governments of the United Provinces, Central Provinces and the Junagad State had recently sanctioned several relief measures to the raiyats and he prayed that their example be followed by the Mysore Government.

He also criticised the expenditure on the Silk Weaving Factory and the manufacture of articles of luxury when

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people were groaning under economic depression. In conclusion, he cautioned the Government to take practical measures to bridge the gulf that was being created between the Government and the people on account of an unbearably heavy taxation.

KHAN BAHADUR MAHOMED ABBAS KHAN congratulated the Government on being able to present a budget such as the one under discussion. Even though there was a deficit of Rs. 18½ lakhs at first sight, still it was a satisfactory budget. It was certainly not difficult for the Government to balance the budget, if they had so minded. The object of the Government apparently was to show the position as it was and not to resort to manipulations with a view solely to balance the budget.

The preparation of the budget, in his opinion, had proceeded on right lines. Out of the total anticipated revenue of Rs. 3·43 crores, a sum of Rs. 17·58 lakhs had been proposed to be reserved for Depreciation Funds and a sum of Rs. 5 lakhs was proposed to be spent on Capital Works from ordinary revenues. As much as Rs. 18,78,000 was proposed to be added to the Loan Sinking Fund and this was meant for the future benefit of the State. All this gave a lie direct to the opinion expressed by the previous speaker that the Government were ill-advised in floating loans and committing the State to a lot of expenditure by way of interest charges. The total debt account of the State stood at Rs. 7½ crores. As against that, a sum of Rs. 2·61 crores had been funded and only Rs. 4 crores and odd remained to be made up. If the investments under railways and engineering and electrical works, all of which were yielding good returns, were taken into account, there need be no apprehensions about the State's capacity to repay the loans. The total income from these works worked out to Rs. 36 lakhs which might be regarded as interest realisations; against these, the interest paid amounted only to Rs. 33½ lakhs.

Capital Works were all yielding very good returns, with the only exception of the Bhadravati Iron Works; and even in this case, the loss was nothing compared to the total receipts from all the works. The Mysore State was getting 3½ per cent on its capital investments, which rate was not being realized by any other Government in India. Some of the Capital Works, again, like the Irwin Canal Works, had not yet begun to yield; if this also happened, as it was sure to happen in the near future, the total return from all Capital Works would be more than 4 per cent.

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Objection was frequently taken to utilisation of accumulated balances. There could be no objection to such a step, since the country's material progress required it. For instance, by the railway lines constructed, educational facilities extended, and irrigation works carried out, the State stood to gain much.

As regards education, however, he was sorry to find that the allotment was not adequate. He was glad that the principle that more and more should be done to extend the benefits of education was accepted. He also pointed out that the budget did not show the contributions from local bodies.

THE DEWAN observed that that was because Cess Schools had not been included in the State Budget.

KHAN BAHADUR MAHOMED ABBAS KHAN said that it was necessary that the budget should show how much each District Board contributed each year, what was the total expenditure on account of education, and whether there was a decrease or increase in it from year to year. The budgets of previous years were showing these details and there was no good reason for omitting any of the salient items.

THE FIRST MEMBER OF COUNCIL explained that, before the Elementary Education Act was introduced, all the responsibility for education rested on the Government. So, the Government grant as well as the contributions from local bodies was being shown in the budgets. Now that the legal responsibility rested on local education authorities in respect of the lower grades of education, the budget did not show the total expenditure on education. But there could be no grievance on this account because the Administration Report of the Education Department furnished all the details including contributions from local bodies.

KHAN BAHADUR MAHOMED ABBAS KHAN represented that the Administration Report of the Education Department was made available many months after the commencement of a given year, and members of the Assembly, who were entitled to know all about the progress of education, were not able to know it in time. For instance, a lumpsum grant of Rs. 16 lakhs was made by the Government for primary education; but under primary education, there were so many kinds, like Special Communities' education, Adikarnatakas' education, Urdu education, etc., and what would be the expenditure under each of these was not clear from the budget. The necessity for furnishing these details was all

the greater now because primary education was entrusted to local bodies. The House would not have been so particular about it if the responsibility for education had continued to vest in the department.

THE DEWAN replied that Government would see whether it would be possible to add an appendix to the budget to show these details.

MR. B. OOSMAN KHAN complimented Government for the satisfactory budget they had presented to the House. It was no easy task to prepare a budget of the kind in times like the present, and no useful purpose would be served by merely criticising Government and their officers. The work of Mysore officers was as good as could be expected and, in the opinion of the speaker, the agitation in certain quarters that their salaries should be curtailed was most unreasonable. The criticisms against floation of loans were also equally unjust; it was not the Government of Mysore alone that had raised loans.

But there were certain items of expenditure about which the member wished to make observations. There was a highly paid Inspector-General of Police, who came from the Madras Service. He was no doubt a capable officer but his experience was all gained outside this State. The reforms that he had introduced recently, therefore, were not suitable to conditions in Mysore. The water-tight compartments that he had created, such as Traffic, Crime, and Law and Order, had not conduced to the convenience of the public; the only result of the re-organisation was sudden lifts provided for certain individual officers of the department. The re-organisation had also resulted in material reduction of the police force, without reference to the actual needs of the situation. This was particularly the case in the city of Bangalore. The member, therefore, requested that the old system of police service should be reverted to immediately. He was strongly opposed to the abolition of some of the sub-stations.

As regards the Department of Industries and Commerce, he said that further retrenchments could easily be effected in the department; for example the provision for weaving schools was not at all necessary. The number of persons benefited by these schools was not commensurate with the expenditure. Instead of incurring this expenditure, the Government, in his opinion, would do well to give adequate encouragement and relief to the weaver classes. He hoped that the new Director of Industries would take up this question in the near future.

MR. T. SIDDALINGIAH supported the industrial policy of the Government and said that the history of every country showed that Governments were always the pioneers of industry. It was a matter for satisfaction that all the industrial undertakings in Mysore were yielding adequate returns, the only exception being the Iron Works. Even in the case of this industry, the returns would improve if the recent experiments in the manufacture of rustless iron were adopted by Government, especially as all the necessary requisites were available near at hand, namely, chromium, silicon and iron ore.

Speaking of the Bhadravati Iron Works, the member referred to the necessity for strict supervision over expenditure there, particularly about payment of wages. Similarly in the case of the Sugar Factory, there were complaints that there was no strict scrutiny over expenditure and that purchases of bullocks, etc., were being made according to whims and fancies of individual officers who were said to be exercising patronage to their fullest advantage.

As regards the budget as a whole, the speaker observed that for 4 or 5 years past, the expenditure had been showing a steady rise. The Government had evidently not taken into account the economic position of the general tax-payer, nor even made an enquiry about his earning power as compared to his earning capacity 10 or 20 years ago. The Speaker was also of opinion that the revenue had been over-estimated in some respects and that unnecessary items of expenditure had been provided for, such as under University education. So long as everything necessary to extend primary education to the masses was not done, it would not be justifiable to spend anything very much on University education. That, at any rate, was the view of the common raiyat. The University had after all produced an army of unemployed graduates and nobody would be sorry if a halt was cried to this process. The agriculturist had not been enabled to grow one more grain of ragi per acre; if at all, there was deterioration in this respect; so, like the University, the Agricultural Department had also failed in its duty. The Horticultural Department was similarly a failure. Expenditure on departments like these, which did not improve the economic condition of the raiyats even a bit, was a waste. The expenditure under Military was altogether unnecessary, as there could be no fear of any foreign invasion. The Secretariat was a mere post office, and expenditure on it was capable of substantial reduction. The scales of salaries were

fixed according to western standards of life and these admitted of heavy cuts. The normal receipts and expenditure of the State should decide the scales of pay, just as they alone should decide the expenditure budget of every one of the departments of Government.

MR. IBRAHIM KHAN of Kirgaval referred to the inadequacy of police protection in rural parts and requested that better provision should be made to improve it. He also prayed for increased allotments under primary and middle school education in the villages. He was not satisfied with the work of School Boards and wished that the departmental officers had some more voice in the matter. Lastly, he requested that immediate steps be taken to provide Urdu middle schools for girls at Channapatna, Kolar and Shimoga.

*At this stage, the House rose for lunch and reassembled at* 3-30 P.M. *Rajamantrapravina Diwan Bahadur K. Matthan, Officiating First Member of Council, presiding.*

MR. H. C. DASAPPA requested that the House be adjourned to 12 NOON the next day on account of the elections from the Representative Assembly to the University Senate as well as His Highness the Maharaja's Cup Sweep.

THE FIRST MEMBER OF COUNCIL said that, as at present arranged, only two days' time was given for discussions on the budget, *viz.*, 6th and 7th June, and in case the sitting was adjourned, it would not be possible to extend the time for that item of business. The members present had no objection to this.

*The House thereupon adjourned to 12 noon the next day.*